

**A G E N D A**  
**UTAH BOARD OF WATER RESOURCES**

Central Utah WCD Office  
355 W. University Parkway  
Orem, Utah

July 28, 2006

**8:30 a.m.**

I. CALL TO ORDER

II. APPROVAL OF MINUTES - June 16, 2006

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS

County

E084 Whiterocks Irr. Co.  
E205 Central Utah WCD

Uintah  
Utah

V. COMMITTAL OF FUNDS

E123 Davis Weber Canal Co.  
E176 Dry Gulch Irr. Co.  
E196 Emigration Improvement Dist.

Davis  
Duchesne  
Salt Lake

VI. SPECIAL ITEMS

E202 Newcastle Water Co.  
(Feasibility Rpt. & Comm. of Funds)  
E205 North Salt Lake City  
(Bond Ins: App. Sum., Feas. Rpt.,  
& Comm. of Funds)

Iron  
  
Davis

VII. DIRECTOR'S REPORT

VIII. ADJOURNMENT

**BRIEFING MEETING AGENDA**

**UTAH BOARD OF WATER RESOURCES**

Central Utah WCD Office  
355 W. University Parkway  
Orem, Utah

July 27, 2006

**3:30 p.m.**

- |      |                        |                  |
|------|------------------------|------------------|
| I.   | WELCOME/CHAIR'S REPORT | Chairman Hancock |
| II.  | DISCUSSION OF PROJECTS | Board/Staff      |
| III. | OTHER ITEMS            |                  |

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

Funding Status  
July 28 2006

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Funds Available for Projects This FY	\$	10,569,000
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### Projects Contracted This FY

1 Lincoln Culinary Water Corp	E165		332,000
2 San Juan WCD (Recapture Dam)(Amend)	C026	Grant **	200,000
3 Spanish Fork South Irr Co	E193		29,500
Total Funds Contracted			\$ 562,000
Funds Balance			\$ 10,007,000

### Projects with Funds Committed

1 Utland Ditch Co	E182		\$ 270,000
2 Enterprise Res & Cnl Co (Lower Ent Dam)	C012	Loan **	20,000
3 Mosby Irr Co (Amend)	D730		3,600,000
4 Sevier Valley Cnl Co	E197		195,500
5 Kents Lake Irr Co (Three Creeks Dam)(Amend)	C033	Grant **	2,160,000
6 Kents Lake Irr Co (Three Creeks Dam)	C033	Loan **	125,000
7 Deseret Irr Co (Phase 5)	E101		168,000
8 Fountain Green Irr Co (Well)	E185		221,000
* 9 Dry Gulch Irr Co	E176		221,000
* 10 Newcastle Water Co	E202		459,000
Commitments for Dam Safety Studies			111,000
** Dam Safety Projects			
Total Funds Committed			\$ 7,551,000
Funds Balance			\$ 2,456,000

### Projects Authorized

1 Deseret Irr Co	E056		\$ 144,000
2 Hi-Country Estates Homeowners Assn	E127		406,000
3 Cub River Irr Co	E173		680,000
4 Circleville Irr Co	E166		115,000
5 North Creek Irr Co	E181		288,000
6 Fremont Irr Co	E194		282,500
7 Otter Creek Res Co	E184		190,000
8 Providence-Logan Irr Co	E191		340,000
Total Funds Authorized			\$ 2,446,000
Remaining Funds Available			\$ 10,000

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

## Cities Water Loan Fund

Funding Status  
July 28 2006

Funds Available for Projects This FY	\$	5,349,000
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### Bonds Closed This FY

1	\$	-
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Total Bonds Closed	\$	-
Funds Balance	\$	5,349,000

### Projects with Funds Committed

1 Kamas City	L550	\$	1,879,000
2 Centerfield Town	L547		255,000
3 Corinne City	L555		326,000
4 Town of Mantua	L553		<u>140,000</u>

Total Funds Committed	\$	2,600,000
Funds Balance	\$	2,749,000

### Projects Authorized

1	\$	-
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Total Funds Authorized	\$	-
Remaining Funds Available	\$	2,749,000

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

## Conservation & Development Fund

Funding Status  
July 28 2006

Funds Available for Projects This FY \$ 27,589,000

### Projects Contracted/Bonds Closed This FY

1	\$	-
Total Funds Contracted/Closed	\$	-
Funds Balance	\$	27,589,000

### Projects with Funds Committed

1 Lake Creek Irr Co (Ph 1)	E102	\$ 22,500
2 Ashley Valley Res Co	E145	2,400,000
3 Ephraim Irr Co	E061	120,000
4 Hooper Irr Co (Amend 5; Phase 2)	E060	145,000
* 5 Emigration Imp Dist	E196	2,160,000
* 6 Davis & Weber Counties Cnl Co (Amend, Ph 5)	E123	2,125,000
* 7 City of North Salt Lake (Bond Ins)	E206	30,000
Total Funds Committed		\$ 7,003,000
Funds Balance		\$ 20,586,000

### Projects Authorized

1 Strawberry High Line Canal Co	D976	\$ 3,187,000
2 Uintah WCD (Island Ditch)	E036	342,000
3 Richland Nonprofit Water Co	E087	335,000
4 Lake Creek Irr Co (Ph 2)	E102	300,000
5 New Escalante Irr Co	E077	300,000
6 St George & Washington Canal Co (Ph 3&4)	E129	4,400,000
7 Huntsville South Bench Canal Co	E143	1,287,000
8 Provo River Water Users Association	E177	60,000,000
9 Dixie Deer SSD	E170	340,000
10 Magna Water Co an Improvement Dist	E190	7,100,000
11 Wellsville Mendon Conservation Dis	E195	95,000
12 Salem City	E199	6,325,000
* 13 Whiterocks Irr Co	E084	4,955,000
* 14 Central Utah W C D	E204	60,000,000
Total Funds Authorized		\$ 148,966,000
Remaining Funds Available		\$ (128,380,000)

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

July 28 2006

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
<b>Projects Under Investigation</b>				
1 Keith Johnson	D996	RCF	\$ 37,500	\$ 50,000
2 Mayfield Irr Co	E067	RCF	187,500	250,000
3 Rock Dam Irr Co	E083	RCF	37,500	50,000
4 Downs Ditch Water Co	E139	RCF	281,250	375,000
5 Co-Op Farm Irr Co	E140	RCF	374,250	499,000
6 Anderson, Felt, Winters Ditch Co	E141	RCF	148,500	198,000
7 Felt, Peterson, Slater Ditch Co	E142	RCF	148,500	198,000
8 Emmertsen Irr Co	E144	RCF	86,250	115,000
9 Huntsville Irr Co	E146	RCF	627,000	836,000
10 Vernon Irr Co	E158	RCF	37,500	50,000
11 West Cache Irr Co	E160	RCF	150,000	200,000
12 Loss Creek Irr Co	E167	RCF	111,000	524,000
13 Kingston Irr Water Co	E169	RCF	85,000	240,000
14 Greenwich Water Works Co	E171	RCF	112,500	250,000
15 Bullion Creek Irr Co	E172	RCF	75,000	100,000
16 Fountain Green Irr Co (Birch Creek)	E174	RCF	30,000	40,000
17 East Panguitch Irr Co	E175	RCF	375,000	500,000
18 Twin Creek Irr Co	E180	RCF	300,000	400,000
19 Fountain Green Irr Co (Flow Augment)	E186	RCF	75,000	100,000
* 20 Wallsburg Irr Co	E203	RCF	90,000	120,000
* 21 Grave Yard Irr Co	E204	RCF	16,400	41,000
22 Parowan City	E121	CWL	158,250	211,000
23 Gunlock SSD	E188	CWL	502,500	670,000
24 Woodruff Irrigating Co	D680	C&D	600,000	800,000
25 Kane County WCD	D828	C&D	1,500,000	2,000,000
26 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
27 Gunnison Butte Mutual Irr Co	E004	C&D	10,500,000	14,000,000
28 Hyrum Blacksmith Fork Irr Co	E047	C&D	1,230,000	1,640,000
29 East Juab County WCD	E071	C&D	375,000	500,000
30 Ferron Canal & Res Co	E082	C&D	2,625,000	3,500,000
31 Town of Goshen	E109	C&D	240,000	320,000
32 Weber-Box Elder Conservation Dist	E113	C&D	9,750,000	13,000,000
33 Cottonwood Creek Consolidated Irr Co	E125	C&D	3,750,000	5,000,000
34 Alton Farmers Assoc	E128	C&D	1,650,000	2,200,000
35 Fremont Irr Co	E131	C&D	1,500,000	2,000,000
36 Grantsville Irr Co	E150	C&D	321,000	428,000
37 San Juan WCD	E198	C&D	3,000,000	4,000,000
* 38 Midvale City	L556	C&D	7,125,000	9,500,000
Subtotal			\$ 48,962,400	\$ 65,905,000

\* New Application

## BOARD OF WATER RESOURCES

July 28 2006

### Additional Authorized or Committed Projects

1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,379,000	\$ 12,211,000
2 Weber Basin WCD (Secondary Irr, Ph 3-5)	E029	C&D	27,721,000	32,613,000
3 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	11,566,000	13,607,000
4 Hooper Irr Co (Press Irr, Ph 4)	E060	C&D	11,033,500	12,980,000
Subtotal			\$ 60,699,500	\$ 71,411,000
TOTAL ADDITIONAL PROJECTS			\$ 109,661,900	\$ 137,316,000

### INACTIVE PROJECTS

#### Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Upper Sevier River WCD	E098
6 Central Utah WCD (Prepay FY98,99,00)	D960

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-084**

Received: 7/1/02

Approved: 8/9/02

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **WHITEROCKS IRRIGATION COMPANY**

President: Clinton Nielson

LOCATION: The proposed project is located about one mile northeast of Tridell, which is about 17 miles west of Vernal in Uintah County.

EXISTING CONDITIONS & PROBLEMS: The Whiterocks Irrigation Company serves water to 146 shareholders irrigating 6,649 acres, as well as 430 connections of the Tridell-Lapoint Water Improvement District, which serves the towns of Tridell, Lapoint, and part of Fort Duchesne. The main source is from Whiterocks River, with supplemental flow from five reservoirs in the high Uintas and Lapoint Reservoir.

The sponsor experiences water shortages nearly every year due to shortage of supply late in the season. In the past, distribution has been as low as 0.57 ac-ft/acre. On average, it delivers half of the three ac-ft/acre allotment to shareholders (1.7 ac-ft/acre). Tridell-Lapoint Water Improvement District gets water only from the sponsor and has first priority to the water.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to construct an offstream, earthfill dam to impound up to 2,700 acre-feet for additional late season irrigation and culinary use. Through exchange, the project will benefit both the upstream and downstream shareholders.



The project consists of a diversion structure on the Whiterocks and Ouray Valley Canal, 1,200-foot unlined feeder canal, main dam, dike, rock-lined spillway, and outlet works extending approximately 2½ miles to the existing canal. The offstream dam will be about 80 feet high and 1,650 feet long, with a 1,200-foot dike approximately 15 feet high, and will impound 2,700 acre-feet.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$200,000	\$ 200,000
2.	Site Preparation	LS	15,000	15,000
3.	Relocate 8-inch Culinary Pipe	4,000 LF	30.00	120,000
4.	Diversion Structure & Feeder Canal	LS	20,000	20,000
5.	Excavation - Dam Foundation	170,000 CY	4.00	680,000
6.	Excavation - Cutoff Trench	16,000 CY	5.00	80,000
7.	Foundation Preparation			
	a. Cutoff Trench	3,200 SY	5.00	16,000
	b. Outlet Works	1,000 SY	5.00	5,000
8.	Slush Grout, Dental Concrete, or Shotcrete	LS	30,000	30,000
9.	Drilling & Grouting	4,200 LF	60.00	252,000
10.	Embankment			
	a. Dam	515,000 CY	4.00	2,060,000
	b. Treated	25,000 CY	6.00	150,000
11.	Blanket Drain	15,000 CY	25.00	375,000
12.	Chimney Drain	15,000 CY	25.00	375,000
13.	Underdrain Pipe (Slotted and Non-Slotted)			
	a. 8-inch	1,800 LF	10.50	18,900
	b. 6-inch	4,000 LF	9.50	38,000

14. Weir Box	5 EA	1,000	5,000
15. Foundation Drain	1,200 LF	40.00	48,000
16. Riprap	36,000 CY	20.00	720,000
17. Piezometers (Depth)	700 LF	40.00	28,000
18. Monuments	14 EA	500	7,000
19. Outlet Works & Appurtenances	LS	420,000	420,000
20. Spillway & Appurtenances	LS	53,000	53,000
21. Outlet Pipeline (36-inch HDPE)	LS	830,000	<u>830,000</u>
Construction Cost			\$6,545,900
Contingencies			650,000
Reservoir Site Purchase			600,000
Design and Construction Engineering			974,100
Legal and Administrative			<u>130,000</u>
TOTAL			\$8,900,000

COST SHARING  
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$4,955,000	55.7%
Army Corps of Engineers (Section 595 Grant)	3,500,000	39.3
Sponsor	<u>445,000</u>	<u>5.0</u>
TOTAL	\$8,900,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$168,500 at 1% interest over approximately 35 years.

ECONOMIC  
FEASIBILITY:

Water developed as a result of the project will be used for both culinary and irrigation purposes. As there are no acceptable alternate sources for the culinary water, the benefit cost (B/C) ratio for the culinary portion is assumed to be 1.0.

The economic analysis shows the annual net income of irrigators will increase by \$296,000. The B/C ratio for this part of the project is 0.66.

When all benefits and costs of the \$8,900,000 project are discounted to present worth, using a discount rate of 5.67% over a life of 50 years, the B/C ratio

is 0.70. When only the state and local cost share are included in the calculation, the B/C ratio is 0.95.

FINANCIAL  
FEASIBILITY:

Benefits from building the dam are anticipated to be primarily from increased crop yields. The annual increase in net income for farmers is calculated to be \$296,000.

Increase Net Income	\$296,000
Estimated O&M costs	- <u>32,750</u>
Annual Net Benefit	\$263,250

The irrigators annual net benefit would be the increase in net income less estimated O&M costs (0.5% of construction cost). Using the board's traditional funding approach, the irrigators repayment ability would be approximately 55.7% of the annual net benefit, or \$146,600 per year.

Based on the board's water service affordability guideline, district residents could pay \$31.05 monthly for water. It is anticipated the Tridell-Lapoint Water Improvement District will pay the remainder of the \$168,500 annual payment (\$21,900). This amounts to an additional \$4.24/connection/month based on 430 culinary water connections, or \$32.54/connection/month.

BENEFITS:

Assuming existing land use patterns continue, the proposed project will develop an estimated 3,400 acre-feet annually, resulting in increased crop production. The additional water will also provide water for culinary use late in the season.

PROJECT  
SPONSOR:

The Whiterocks Irrigation Company was incorporated in 1932 and is currently registered in good standing with the state Department of Commerce. Its 6,649 shares (one share serves one acre) are owned by 146 shareholders and assessed at \$6.50 per share for annual O&M, plus a \$15.00 per shareholder administrative fee.

The sponsor has received financial assistance from the board on five previous occasions, all related to dam work. In 1985 it received \$1,035,000 for

construction of Lapoint Reservoir, which is being purchased with annual payments of \$32,600 through 2017. The sponsor also obtained funding for dam safety studies for Lapoint, Chapeta, and Paradise Park Dams, which were funded by both grant and loan funds and have since been paid off.

WATER RIGHTS  
& SUPPLY:

The sponsor's water rights are based on Water Right Numbers 43-503, 43-3042, and 43-3720, which allow for a maximum diversion of 91.8 cfs from the Whiterocks and Ouray Valley Canal. This water is used to irrigate 6,483 acres from April 1 to November 30 annually. Existing storage rights will be transferred to the new dam site. The Board of Water Resources currently holds the water rights.

EASEMENTS:

The sponsor will purchase the dam and reservoir site and will obtain an easement for the diversion structure and feeder canal.

ENVIRONMENTAL:

Approximately 110 acres of farm and rangeland will be removed from use by the dam and reservoir. The reservoir will provide freshwater habitat for waterfowl and a limited recreational area for local residents.

An environmental assessment is being prepared by the Army Corps of Engineers due to the use of federal grant monies.

WATER  
CONSERVATION:

The project will develop an estimated 3,400 acre-feet annually.

SPONSOR'S  
RESPONSIBILITIES:

If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

- a. Assign properties and easements required for the project to the Board of Water Resources.
  - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
  - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
  - c. The company has obtained all permits required for the project.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.
  - b. The company's water storage rights are applicable to the project and reflect the area of inundation.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, and land, necessary for the project.

5. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Water Rights (Dam Safety).
6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

7. The Board of Water Resources needs to approve the engineering contract between the company and the company's engineer.

PROJECT	President:	Clinton Nielson
CONTACT		P.O. Box 126
PEOPLE:		Lapoint, Utah 84039
		Phone: (435) 247-2633
	Secretary:	Delores Rushton
		P.O. Box 301
		Lapoint, Utah 84039
		Phone: (435) 247-2478
	Engineer:	ESI
		P.O. Box 1485
		Vernal, Utah 84078
		Phone: (435) 781-2550



# WHITEROCKS IRRIGATION COMPANY Whiterocks Dam and Reservoir Project

Uintah Co.

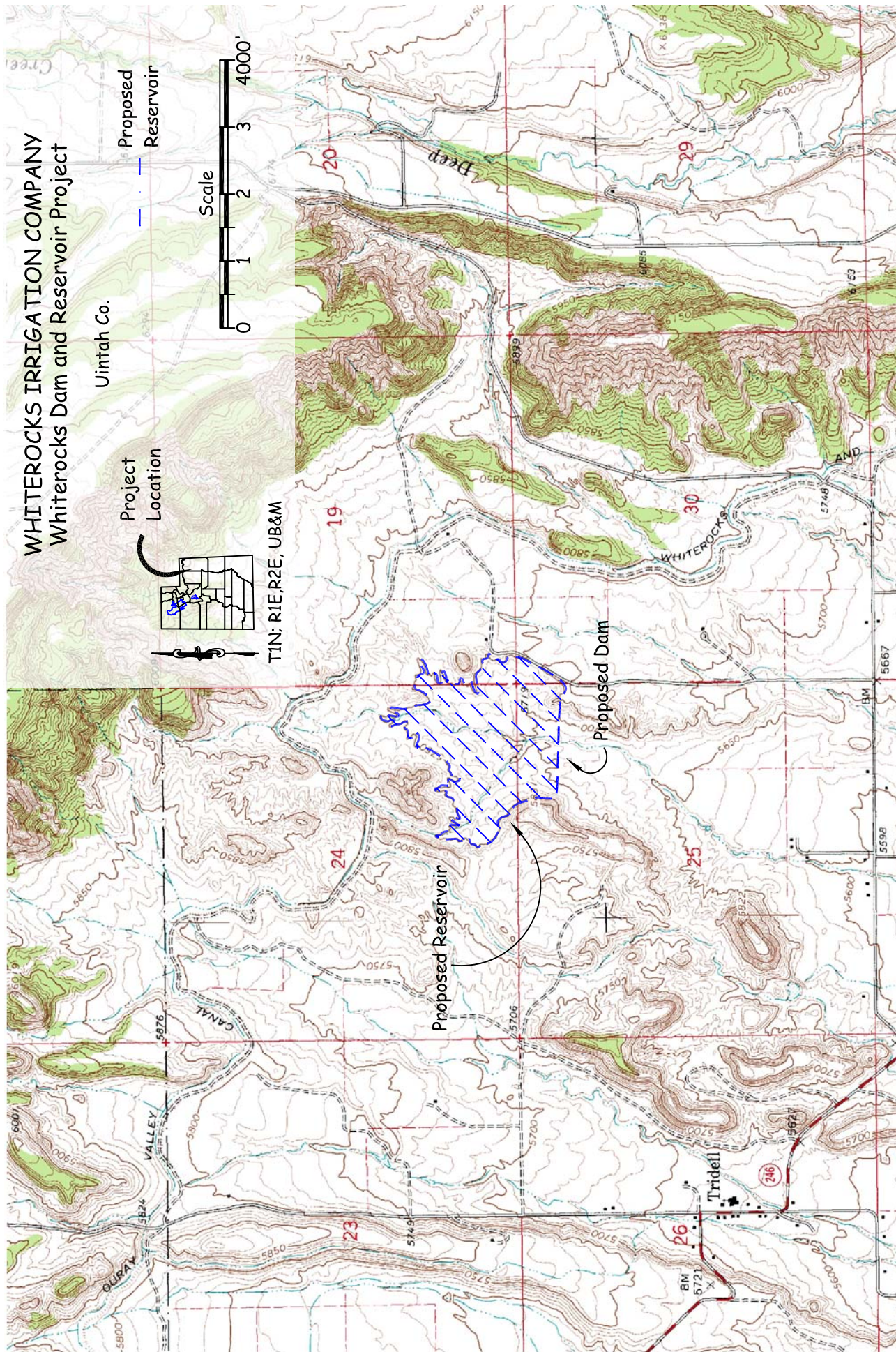
Proposed  
Reservoir

Project  
Location

Scale



T1N; R1E R2E, UB&M





BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-205**

Received: 6/16/06

Approved: 6/16/06

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: ***CENTRAL UTAH WATER CONSERVANCY DISTRICT***

General Manager: Don A. Christiansen

LOCATION: The proposed project extends from near the mouth of Provo Canyon, through the cities of Orem, Lindon, Pleasant Grove, Cedar Hills, American Fork, Highland, and Lehi, to the Point of the Mountain in Utah County.

EXISTING CONDITIONS & PROBLEMS: In its February 3, 2006 meeting the board authorized a \$134 million project sponsored by the Provo River Water Users Association (PRWUA) to enclose the 21.5-mile long Provo Reservoir Canal. The canal was built as part of the Bureau of Reclamation's Provo River Project to deliver Deer Creek Reservoir water to users in Utah and Salt Lake Counties and is operated by PRWUA.

Increasing safety, liability, and water quality concerns have prompted PRWUA to pursue enclosing the canal. In 1988, a canal breach flooded agricultural land and residential basements in Lindon, causing \$500,000 in damage. The area has continued to develop and a similar break would result in much greater liability. PRWUA finds it difficult to keep yard waste and other trash from being dumped into the canal, and runoff from streets and agricultural fields also enters it, degrading water quality and affecting the cost of water treatment.

The Central Utah Water Conservancy District (CUWCD) is cooperating with the PRWUA to fund part of the



project. Through its participation, CUWCD would receive an estimated 8,000 acre-feet saved annually by eliminating seepage and evaporation losses in the canal, which will be used to fulfill a portion of its federal in-stream flow requirements in the lower Provo River. In addition it would receive 50 cfs capacity in the proposed facility.

With the completion of the Utah Lake Drainage Basin Water Delivery System (ULS) portion of the Central Utah Project, CUWCD will have an obligation to deliver up to 30,000 acre-feet of project water to the upstream (south) end of the Provo Reservoir Canal near 800 North in Orem.

PROPOSED  
PROJECT:

CUWCD is requesting financial assistance from the board to provide its funding share of the Provo Reservoir Canal enclosure project. The project will include enclosing 21.5 miles of canal with pipe or box culvert, increasing capacity to 550 cfs throughout, replacing 1,200 feet of siphon, installing pig launch and retrieval facilities, inlet, outlet, valve, and meter facilities, and 40 turnout structures.

Bowen Collins & Associates, Inc. of Draper has been retained by PRWUA to provide technical assistance.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE:

The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u> <u>Price</u>	<u>Amount</u>
1.	Excavate & Install 120-inch Pipe	101,000 LF	\$900	\$90,900,000
2.	Highway Crossings	29 EA	150,000	4,350,000
3.	Siphon transitions	4 EA	10,000	40,000
4.	American Fork Siphon Lining	1,280 LF	500	640,000
5.	Additional Cost at Dry Creek	1,200 LF	100	120,000
6.	Diversion Structures	40 EA	16,500	660,000

7.	Outlet Valve Structure	LS	430,000	430,000
8.	Install Overflow at Olmsted Outlet	LS	100,000	100,000
9.	Isolation Valve	1 EA	80,000	80,000
10.	Flow Meters	2 EA	40,000	80,000
11.	Pig Launching Facilities	2 EA	250,000	500,000
12.	Pig Retrieval Facilities	2 EA	500,000	1,000,000
13.	Murdock Diversion Modifications	LS	800,000	<u>800,000</u>
Construction Cost				\$ 99,700,000
Contingencies				19,940,000
Legal and Administrative				2,390,000
Design and Construction Engineering				<u>11,970,000</u>
TOTAL				\$134,000,000

COST SHARING  
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
PRWUA (BWRé Loan)	\$60,000,000	44.8%
PRWUA	14,000,000	10.4
CUWCD (Proposed BWRé Loan)	60,000,000	44.8
CUWCD	<u>0</u>	<u>0.0</u>
TOTAL	\$134,000,000	100%

The board-authorized terms for the PRWUA portion of the project are 4.2% interest (based on the project's M&I/Agriculture mix), with annual payments of \$4.12 million over about 23 years.

If the board authorizes the project, it is suggested the financial assistance be returned to the board at 4.2% interest with the remaining terms to be set at the time funds are committed. It has yet to be determined which avenue (bonding or contractual agreement) will be pursued.

CUWCD set its budget to provide funding for the project over several years through Section 207 grants and local funding, starting around 2012. Due to federal appropriations, it is likely that this date would be extended several years. PRWUA, however, wishes to proceed immediately, with funding needed

for materials possibly as soon as 2008, construction beginning fall of 2008 or 2009, and continuing, in the irrigation off-season, for three or four years.

With CUWCD's prepayment of its CUP debt, ongoing capital improvement projects, and water rights acquisitions the sponsor has issued a significant amount of debt over the past years. Its highest priority, constructing the ULS of the CUP, will begin this coming spring and CUWCD states it cannot jeopardize funding for the ULS or its other ongoing capital improvement projects by contributing up-front cost share.

ECONOMIC  
FEASIBILITY:

Economic feasibility is determined by comparing the cost of the project with the present value of reduced annual operation, maintenance, and replacement (OM&R) costs, value of new capacity, and value of saved water when put to environmental uses. The canal enclosure is expected to reduce annual OM&R cost by \$140,000, based on data provided by PRWUA.

The unit value of new capacity in the canal was calculated as the wholesale cost of water delivered by Jordan Valley Water Conservancy District to its customer agencies, less treatment cost and the cost of raw water from the ULS project. This value is \$137.00 per acre-foot. When the reduced OM&R cost and value of new capacity are combined and discounted to present worth, and divided by total construction cost, the b/c ratio is 1.04.

This calculation does not account for the benefit accruing to CUWCD from saved water used to promote propagation of the June Sucker. Water used for environmental purposes is valued at its cost, as there may be no acceptable alternative means of providing the needed resource.

The following indirect benefits are recognized but were not evaluated in the benefit/cost analysis:

- Improved water quality due to elimination of garbage and other undesirable material that is now entering the canal.
- Right-of-way for a future bicycle/pedestrian trail
- Reduced liability from drowning and flood damage due to breaks

- Redundancy and reliability
- Security

FINANCIAL  
FEASIBILITY:

CUWCD has the authority to issue general obligation bonds subject to authorization from its electorate. It applies its property taxes, income from water sales, income from O&M assessments, and other revenue to pay these bonds as well as defray all its operation and maintenance expenses. All of its limited-tax general obligation bonds have been issued to prepay its repayment obligation to the Department of the Interior.

CUWCD revenues are derived from the sale and/or treatment of CUP and CUWCD water, appropriations from the federal government for CUP features, water conservation grants under Section 207, and interest income. CUWCD has limited its issuance of revenue bonds to only large-scale projects and has attempted to utilize current revenues to defray the costs of capital projects. CUWCD has the responsibility to partially match certain federal government appropriations.

BENEFITS:

The project will develop 8,000 acre-feet annually, to be released to the lower Provo River, to meet a portion of the sponsor's environmental commitments under CUP operations. CUWCD will also receive 50 cfs capacity in the canal enclosure for its use.

PROJECT  
SPONSOR:

The Central Utah Water Conservancy District is a Utah political subdivision organized in 1964 under the Utah Water Conservancy Act. CUWCD serves as a legal entity responsible for assisting in the development of water resources to meet the water requirements of an area covering all or part of 10 counties. CUWCD is the local sponsor of the Central Utah Project and is responsible for operating and maintaining the facilities constructed by the federal government. It must also plan and construct facilities not yet built and repay the federal government for reimbursable costs of the CUP.

CUWCD has received over \$5.6 million in financial assistance from the board in loans and bond insurance grants for several projects, which include the Jordan Valley water treatment plant, Olmstead diversion dam,

terminal reservoir expansion, and Diamond Fork pipeline. Bonds for the Olmstead Diversion and terminal reservoir projects will be paid off in 2014. CUWCD also sponsored the first phase of the East Juab Water Efficiency project.

**WATER RIGHTS  
& SUPPLY:**

The Bureau of Reclamation holds title to all water rights associated with the Provo River Project, which includes the Provo Reservoir Canal.

Deliveries through the Provo Reservoir Canal have averaged 74,000 acre-feet annually over the past five decades. It is anticipated the conveyance system will deliver over 100,000 acre-feet annually once the project is finished. The proposed facility, based on 550 cfs year-round capacity, could carry nearly 400,000 acre-feet per year.

**EASEMENTS:**

The Bureau of Reclamation owns title to the Provo Reservoir Canal easement. PRWUA is in the process of making arrangements to have this title transferred into its name. It is anticipated that no other project easements will need to be obtained.

**ENVIRONMENTAL:**

The environmental community presently supports the project because the water savings (8,000 acre-feet annually) will be released into the lower Provo River for recovery of the June Sucker, an endangered fish. An environmental assessment for the project was completed and a "finding of no significant impact" has been issued by Reclamation.

**WATER  
CONSERVATION:**

The project will conserve an estimated 8,000 acre-feet annually, which will be released into the lower Provo River.

**SPONSOR'S  
RESPONSIBILITIES:**

If the board authorizes the proposed project, staff will provide the sponsor a list of requirements that must be accomplished before funds can be committed by the board and subsequently released to CUWCD for project expenses.

PROJECT	General Manager:	Don A. Christiansen
CONTACT		355 West University Parkway
PEOPLE:		Orem, UT 84058
		Phone: (801) 226-7100
	Asst. Gen. Man:	Richard Tullis
		355 West University Parkway
		Orem, UT 84058
		Phone: (801) 226-7122
	Engineer:	Bowen Collins & Associates
		756 East 122000 South
		Draper, UT 84020
		Phone: (801) 495-2224



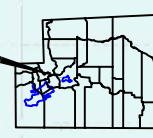
End at I-15 Siphon

Begin at Olmsted Tunnel

CENTRAL UTAH WCD / PRWUA  
Provo Reservoir Canal Project

Utah County

Project  
Location

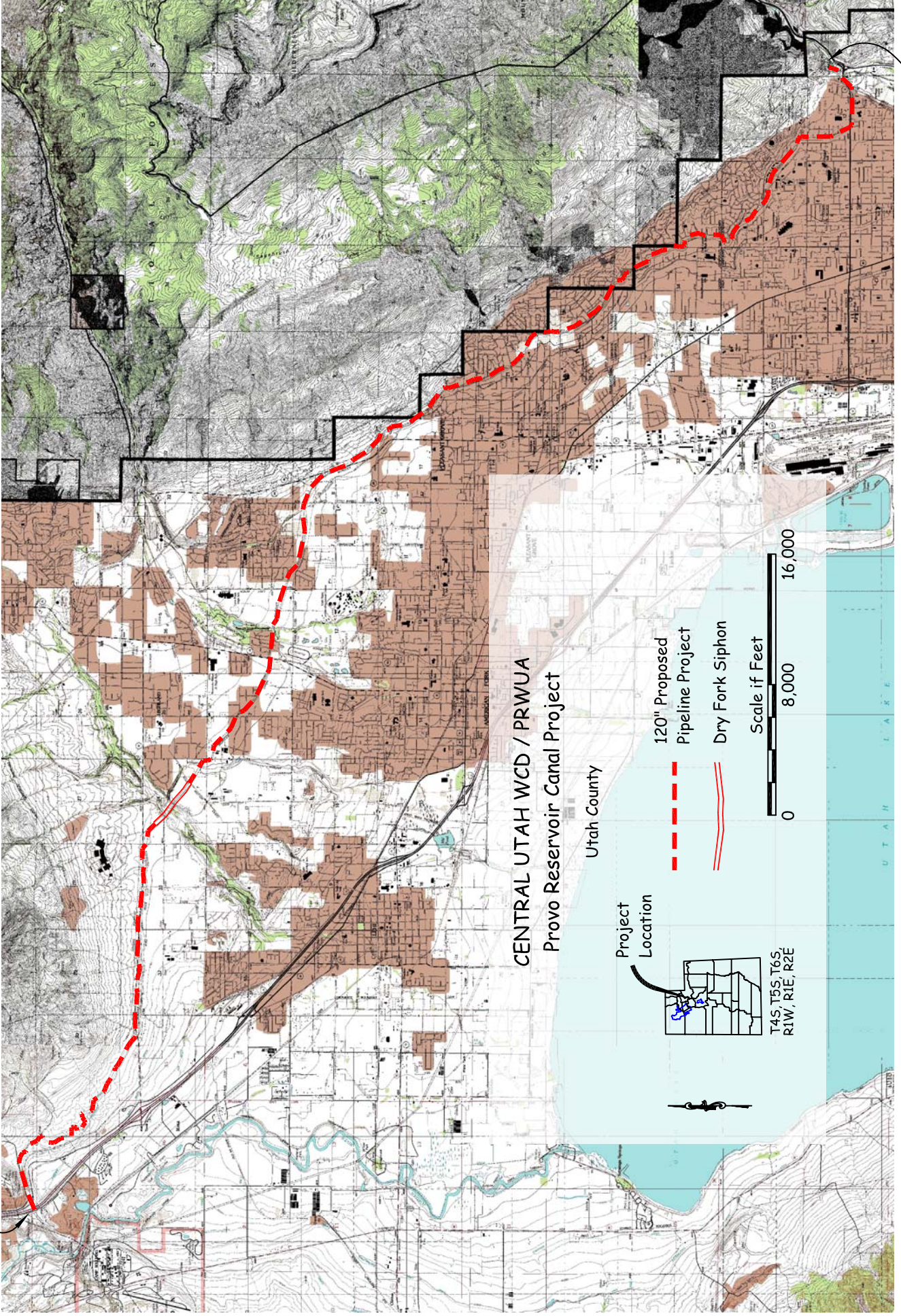


T4S, T5S, T6S,  
R1W, R1E, R2E

- 120" Proposed Pipeline Project
- Dry Fork Siphon

Scale in Feet

0 8,000 16,000





BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-123**  
Received: 6/27/00  
Approved: 8/4/00  
Authorized: 9/22/00  
Committed (Ph I): 9/22/00  
Committed (Ph II): 9/21/01  
Committed (Ph III): 12/12/03  
Committed (Ph IV): 12/09/05

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **DAVIS AND WEBER COUNTIES CANAL COMPANY**

President: D. Pete Page  
138 West 1300 North  
Sunset, UT 84015  
Phone: (801) 774-6373

LOCATION: The proposed project is located just south of South Weber City in Davis County.

PROJECT SUMMARY: In September, 2000 the board authorized the sponsor's \$25.5 million, multi-phased Davis-Weber Canal improvement project. The project consists of replacing nearly 6½ miles of deteriorated canal liner with sections of reinforced concrete liner, large diameter pipe, or concrete box culvert. The headworks at the Weber River diversion will also be replaced and two wasteways improved to allow the canal to be drained in case of emergency. Telemetry will be installed to automate canal operation.

Phases I - IV, consisting of 10,000 feet of concrete box culvert and 6,000 feet of reinforced concrete liner, have been installed. Slope stability work has also been done at places along the canal alignment.



The sponsor is proceeding with Phase V, which includes installing approximately one mile of reinforced concrete liner. Design has been completed and the project bid. Construction is expected to get underway in October in order to complete the project by April, 2007. With the completion of this season's work, all planned canal improvements will be finished from US-89 on the east to near I-15 on the west.

COST ESTIMATE  
& SHARING:

The overall project was authorized based on 85% cost sharing from the board and 15% from the canal company. The proposed cost estimate and sharing for Phase V are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,125,000	85%
Sponsor	<u>375,000</u>	<u>15</u>
TOTAL	\$2,500,000	100%

PURCHASE  
AGREEMENT:

Authorized terms for the overall project are 30 years and 3.6% interest. If the board commits funds to Phase V, it is recommended the \$2,125,000 be returned to the board in 30 years at 3.6% interest with annual payments of approximately \$117,000.

BOARD OF WATER RESOURCES

Committal of Funds

Revolving Construction Fund

Appl. No.: **E-176**  
Received: 8/4/05  
Approved: 9/30/05  
Authorized: 10/28/05

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **DRY GULCH IRRIGATION COMPANY**

President: Kim Bastian  
Rural Route 1, Box 1141  
Roosevelt, UT 84066  
Phone: (435) 722-2204

LOCATION: The proposed project is located in the High Uintas Wilderness Area of Ashley National Forest, about 36 miles north of Roosevelt in Duchesne County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to repair and upgrade the outlet works of Crescent Lake dam and the outlet works, dikes, spillway, and wet well of Fox Lake dam.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$221,000	85%
Sponsor	<u>39,000</u>	<u>15</u>
TOTAL	\$260,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project at 0% interest over 20 years with annual payments of approximately \$11,100.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-196**  
Received: 1/9/06  
Approved: 2/3/06  
Authorized: 4/28/06

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **EMIGRATION IMPROVEMENT DISTRICT**

General Manager: Fred A. Smolka  
3350 Emigration Canyon Road  
Salt Lake City, UT 84108  
Phone: (801) 582-6176

LOCATION: The proposed project is located in Emigration Canyon, approximately three miles east of Salt Lake City in Salt Lake County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to expand its existing culinary water system to serve existing residences along Emigration Canyon Road plus an additional 15 at buildout. The project includes approximately 22,600 feet of 8-inch PVC main line with 2-inch distribution lines, and 34 fire hydrants. The project will be constructed in two phases.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$2,160,000	90%
Sponsor	240,000	10
TOTAL	\$2,400,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the project will be purchased with annual payments of approximately \$83,700 at 1% interest over 30 years.

BOARD OF WATER RESOURCES

Special Item

Feasibility Report & Committal of Funds

Revolving Construction Fund

Appl. No.: **E-202**  
Received: 4/26/06  
Approved: 6/16/06

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **NEWCASTLE WATER COMPANY**

President: Steve Christensen

LOCATION: The proposed project is located in the unincorporated community of Newcastle, about 26 miles west of Cedar City in Iron County.

EXISTING CONDITIONS & PROBLEMS: The Newcastle Water Company currently serves culinary water to 112 homes in Newcastle, supplied by one well and two storage tanks with 280,000 gallons capacity. Homes built immediately below the tanks have inadequate pressure, below existing state Health Department standards. System-wide flow, pressure, and fire protection problems exist because of undersized 3 and 4-inch pipelines. The town has a fairly low growth rate of 0.5%, according to the Governor's Office of Planning and Budget.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to replace its 3 and 4-inch pipelines with about three miles of 8-inch pipeline, install a hydro-pneumatic booster pump to increase pressure to homes below the tanks, add 10 new fire hydrants, and re-connect eight existing fire hydrants. Engineering services will be provided by Alpha Engineering in St. George.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate is based on the engineer's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$18,000	\$ 18,000
2.	Piping			
	a. 8-inch	16,000 LF	20.00	320,000
	b. 4-inch (for booster pump)	500 LF	12.00	6,000
3.	Booster Pump System	LS	25,000	25,000
4.	Install New Fire Hydrants	10 EA	2,000	20,000
5.	Connect Existing Fire Hydrants	8 EA	500	4,000
Construction Cost				\$393,000
Contingencies				39,000
Legal and Administrative				8,000
Water Rights Purchase (24 AF)				60,000
Design and Construction Engineering				40,000
TOTAL				\$540,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$459,000	85%
Sponsor	81,000	15
TOTAL	\$540,000	100%

The sponsor recently purchased 24 acre-feet for \$60,000 (\$2,500/acre-foot) from a local farmer. The sponsor is requesting its purchase of the water rights be counted towards its cost share of the project.

If the board authorizes the project, it is suggested it be purchased with annual payments of \$18,400 at 0% interest over approximately 25 years.

FINANCIAL FEASIBILITY: Based on the board's water service affordability guidelines, Newcastle residents could pay up to \$24.60 monthly for all water. The cost of water with the proposed project, based on 112 connections is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Average Culinary Bill	\$45,320	\$33.72
Irrigation Water	4,150	3.09
Proposed BWRe Assistance	<u>18,400</u>	<u>13.69</u>
TOTAL	\$67,870	\$50.50

Currently, monthly culinary water rates are \$25.00 for the first 10,000 gallons and \$1.00 per 1,000 gallons overage. The sponsor feels it can repay the project without raising rates.

BENEFITS: The project will enhance flows, pressures, and fire protection in deficient areas, and provide for growth.

PROJECT SPONSOR: The Newcastle Water Company has been in operation since 1944 and is currently in good standing with the state Department of Commerce. The sponsor has not applied for assistance from the board in the past.

The sponsor's system is rated "Approved" by the state Division of Drinking Water. A lawn and garden system, operated by the New Castle Garden Water Stock Company, serves 16 of the homes.

WATER RIGHTS & SUPPLY: The sponsor's culinary water rights are:

<u>WRNUM</u>	<u>Amount</u>	<u>Point of Diversion</u>
71-3413	50 acre-feet	Well
71-246*	46.36 acre-feet	Well
71-828*	27.686 acre-feet	Well

*\* Presently in the name of the board as security for a project with a sponsor shareholder, New Castle Garden Water Stock Company.*

The sponsor's well produces 275 gpm, an adequate supply.

EASEMENTS: The sponsor's existing easements will be used for the proposed project.

ENVIRONMENTAL: The project is not expected to have any detrimental effects on the environment.

WATER  
CONSERVATION: The sponsor is in the process of preparing a Water Conservation and Management Plan.

SPONSOR'S  
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must complete the following before a contract can be signed:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
  - a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.
  - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the board.
3. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
  - b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
  - c. The company has obtained all permits required for the project.
4. Have an attorney give the Board of Water Resources a written legal opinion that:
  - a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

5. Submit final plans and specifications, stamped by a professional engineer registered in the State of Utah, and obtain approval of them from the Division of Water Resources and Division of Drinking Water.

6. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

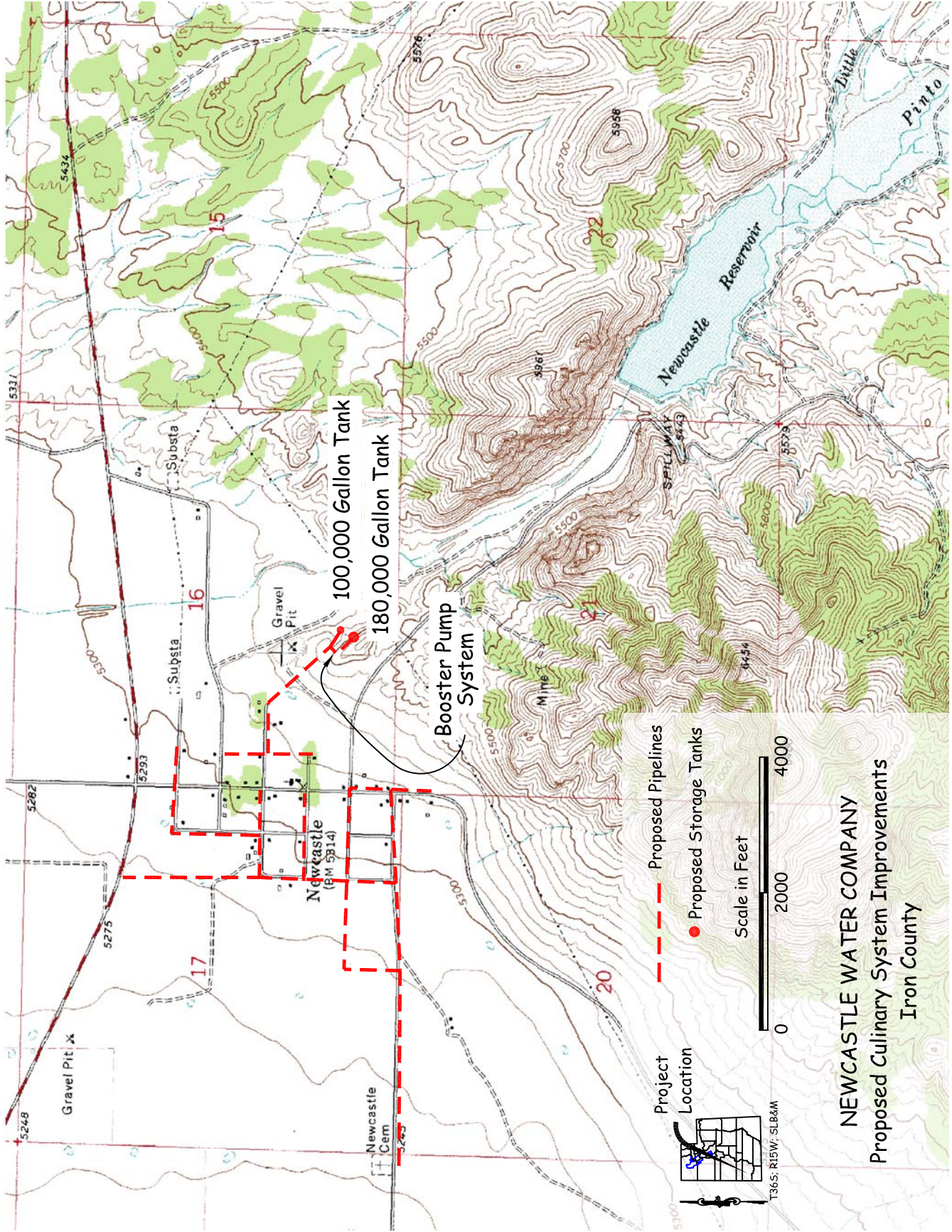
7. Adopt a rule prohibiting its users from irrigating landscapes between the hours of 10:00 a.m. and 6:00 p.m.

8. Obtain an IRS Employer Identification Number.

STAFF COMMENTS: Because the sponsor's system has pressure problems and doesn't meet fire code, it would like to begin construction of the project as early as possible and is currently completing its responsibilities. Staff therefore recommends that, if the board authorizes the project, it also consider committing funds.

PROJECT CONTACT PEOPLE:	President:	Steven Christensen Box 184 Newcastle, UT 84756 Phone: (435) 691-0852 (cell) (435) 439-5444 (home)
	Secretary:	Jessica Christensen Box 171 Newcastle, UT 84756 Phone: (435) 439-5266
	Engineer:	Wayne Thomas Alpha Engineering 148 East Tabernacle St. George, UT 84770 Phone: (435) 628-6500





Proposed Pipelines

Proposed Storage Tanks

Scale in Feet



Project Location



T36S R15W SLB&M

**NEWCASTLE WATER COMPANY**  
Proposed Culinary System Improvements  
Iron County

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report and Committal of Funds

Conservation and Development Fund

Appl. No.: **E-206**

Received: 7/12/06

To be Presented at the July 28, 2006 Board Meeting

SPONSOR: **CITY OF NORTH SALT LAKE**

Mayor: Kay W. Briggs  
20 South Highway 89  
North Salt Lake, UT 84054  
Phone:

LOCATION: The project is located in North Salt Lake in Davis County.

SUMMARY: The City of North Salt Lake recently completed a comprehensive master plan update, which identifies capital projects needed by the city's water system. The city is experiencing significant growth and needs additional water supply and capacity to meet the growing demand. Its current water supplies, transmission ability, and storage capacity are not adequate to meet peak needs; as a result it is holding back building permits in some areas until the necessary supply and facilities are available.

The city is planning a \$4,500,000 group of projects that will include three new wells and four new water tanks totaling four million gallons, 7,000 feet of pipe, upgrades to two of its booster pump stations, and some storm water improvements. Work on some of the projects has begun and all should be complete by the end of 2007.

REQUEST: The city is requesting the board provide a grant of \$30,000 to purchase bond insurance. This will reduce

the interest rate about 0.72% (4.30% effective interest rate) and save the city approximately \$395,000 in interest payments over the bond's repayment period.

ECONOMIC  
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-203***

Received: 6/9/06

SPONSOR: ***WALLSBURG IRRIGATION COMPANY***

President: Dew Atwood  
P.O. Box 97  
Wallsburg, UT 84082  
Phone: (435) 654-3247

LOCATION: The proposed project is located in Wallsburg, about seven miles south of Heber City in Wasatch County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace a corroded above-ground mainline steel pipeline in a pressurized irrigation system.

WATER RIGHTS: 55-1290

COST ESTIMATE: \$120,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-204***

Received: 6/13/06

SPONSOR: ***GRAVE YARD IRRIGATION COMPANY***

President: James Cheney  
Box 305  
Fairview, UT 84629  
Phone: (435) 427-3344

LOCATION: The proposed project is located about 1/8 mile  
northwest of Fairview in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to replace an  
irrigation ditch with a pipeline.

WATER RIGHTS: 65-3234

COST ESTIMATE: \$41,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **L-556**

Received: 7/17/06

SPONSOR: **MIDVALE CITY**

Mayor: JoAnn B. Seghini  
655 West Center Street  
Midvale, UT 84047  
Phone: (801) 567-7200

LOCATION: The proposed project is located in Midvale City in southern Salt Lake County.

PROPOSED PROJECT: The city is requesting assistance to improve its culinary water system by constructing a four million gallon storage tank, redrilling and re-equipping two wells, and installing five miles of 12 through 24-inch transmission pipeline.

WATER RIGHTS: The city has numerous approved, certified, and decreed water rights.

COST ESTIMATE: \$9,500,000

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES  
BRIEFING MEETING

Room 314  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

MINUTES OF THE  
BOARD OF WATER RESOURCES  
BRIEFING MEETING  
4/28/06

BOARD MEMBERS:

Ivan Flint, Chair  
Brad Hancock, Vice-chair  
Warren Peterson  
John Carman  
Blair Francis  
Harold Shirley  
Paul McPherson  
Craig Johansen

STAFF MEMBERS:

Dennis Strong, Director  
Eric Millis, Deputy Director  
Todd Adams, Chief, Hydrology and Computer Applications  
Val Anderson, Chief, Investigations  
Geralee Murdock, Administrative Secretary

Welcome/Chair's Report

Chair Ivan Flint welcomed everyone to the meeting. Mr. Flint introduced Craig Johansen, newly appointed Board member. Mr. Johansen told everyone about himself.

Chair Flint said they couldn't have made a better choice than Dennis Strong as the division's director. He also said Eric Millis had been promoted to Deputy Director to take Dennis's place.

Discussion of Projects

Otter Creek

Warren Peterson said the company wants to raise the reservoir level by installing two radial gates in the service spillway. This will raise the reservoir an additional two feet increasing the capacity. Warren Peterson expressed the concern as the Legislature passed a law stating if you do not use your water right it could be partially forfeited. The reservoir has received a lot of silt in the bottom and therefore the company hasn't been



able to use all the water it is entitled to. He said his motion would include having the company's attorney meet with the division's attorney to discuss whether the Board is funding storage where a partial forfeiture may exist. Ivan Flint said this needs to be cleared up as it could affect many other reservoir companies.

#### Fremont Irrigation Company

Warren Peterson said the company has a stretch of canal that passes Black Point, where it is perched high on a steep slope. The company has tried several times to line the section with clay or plastic, but it still experiences frequent problems. It is requesting financial assistance to replace the canal with high density polyethylene pipe (HDPE) pipe. The company is anticipating a grant of \$1 million from the Natural Resources Conservation Service (NRCS), and is requesting \$282,500 (21%) from the Board.

#### Wellsville-Mendon Conservation District

Val Anderson said the Wellsville-Mendon Canal delivers water to 4,600 agricultural acres and 400 acres of lawns and gardens. The canal is mostly unlined except for a 6,100 foot rubber-lined section just east of Wellsville. The district is requesting financial assistance to install 5,000 feet of rubber liner in a problem section of the canal.

#### Emigration Improvement District

Val Anderson said approximately 220 residences along Emigration Canyon Road do not have a central water system and rely on private wells and a small water system. The existing aquifer is overtaxed with over ½ of the wells being contaminated and some running out of water during the summer months. The district is requesting funds to expand its existing culinary water system to serve all existing residences and add 34 fire hydrants. John Carman said he had toured the project area with Fred Smolka and said the district needs a system that is reliable.

#### Providence-Logan Irrigation Company

Blair Francis said the company's water comes from the Logan River. The company has a box culvert that has caved in. The culvert is located along the hillside between Logan and River Heights. The culvert needs to be replaced with a siphon and moved below the sloping hillside to prevent future problems. The project is estimated to cost \$400,000.

## Committal Of Funds

### Ashley Valley Reservoir Company

Val Anderson said the company is requesting assistance to replace six miles of canal with HDPE pipeline to carry irrigation water from Oaks Park Reservoir to several irrigation companies in the Vernal area. The project cost has increased due to an increase in the cost of pipe. The total estimated project cost is now \$2.870 million.

### Lincoln Culinary Water Corp.

The sponsor is requesting financial assistance to make improvements to a spring and to purchase water rights. The cost of the project has increased due to increases in construction costs. The project is now estimated to cost \$480,000.

### Spanish Fork South Irrigation Company

Paul McPherson said the company had already started replacing canal lining last fall, and have been unable to get a contractor to finish the job this Spring. The terms remain the same as authorized.

### Lindon City

Paul McPherson said the city is requesting financial assistance to improve its culinary system by replacing about ½ mile of 10-inch steel pipeline with 12-inch ductile iron pipeline and installing four fire hydrants. The project is estimated to cost \$270,000. The terms remain the same as authorized.

### Corinne City

Blair Francis said the city is requesting financial assistance to replace about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC and install 16 fire hydrants. The project is estimated to cost \$384,000, and the terms remain the same as authorized.

### Special Items

#### Ephraim Irrigation Company

Installation of the company's project is underway, but wet weather has delayed the start of pond construction, therefore the company is requesting payments be delayed

one year and all interest accrued March 1, 2005 through February 28, 2006, be forgiven. The company is also requesting additional funds as the cost of pipe has increased and it was also expecting more EQIP funds than it received.

#### Chester Irrigation Company

Warren Peterson said the company is requesting additional funds (\$47,000) to replace a washed out spillway on its fifth pond. Additional work is required to repair the spillway and bring the pond up to dam safety standards.

#### Willow Creek Irrigation Company

Warren Peterson said the agricultural portion of the company's project has been installed, but the lawn and garden portion for the homes will not be completed until this fall when the first payment is due. The company is, therefore, requesting its 2006 payment be reduced by one-half, the payment period be extended by one year, and the remaining one-half of the payment be made the last year of the repayment period.

#### Bryner-Ploutz Ditch Company

Val Anderson said the pressurized irrigation system project was delayed due to water rights issues and the cost increased because of higher PVC pipe prices. The company is requesting additional funds to cover the increased project costs.

#### Callao Irrigation Company

Paul McPherson said the company is now trying to install a diversion structure, small regulating pond, and 17,000 feet of 6 to 18-inch pipeline. This would have been included in the original project, however the previous owner did not want it. The new owner would like to have this installed.

### DAM SAFETY CONSTRUCTION

#### San Juan County WCD (Recapture Dam)

Val Anderson said the district has almost completed the dam safety upgrade of Recapture Dam, but the cost of monitoring and collecting the seepage at the right abutment has increased. More work was needed which has increased the cost of the upgrade. The district is requesting the dam safety grant be increased by \$200,000.

### Kent's Lake Reservoir Company

The company is requesting financial assistance to upgrade Three Creeks Dam to meet current state dam safety standards. Harold Shirley said he was going to request a 95% grant as had been done with other agricultural dams.

### Director's Report

Director Strong informed the Board Eric Millis has been promoted to Deputy Director. The position of Asst. Director is being advertised at the present time. It is a long process.

Mr. Strong said the BLM will be a joint lead agency in preparation of the EIS for the Lake Powell Pipeline project. A Memorandum Of Understanding will have to be prepared before the EIS process begins an engineering consultant is selected. A meeting was held with Arizona Water Resources staff seeking Arizona's acceptance of the Lake Powell project; Arizona was negative regarding the project and is opposed to Utah using its upper basin water in the lower basin. We believe we should be able to use Utah's Colorado River Compact allocation anywhere within the state. Utah's interpretation of the Compact is water cannot be transported between Upper Division states to Lower Division states.

The Lake Powell Management Committee would like to have a representative from the Board of Water Resources on the Management Committee. It was suggested Harold Shirley be on the Committee as he is from the area and familiar with the project. Mr. Shirley gladly accepted.

John Carman representing the AWWA is requesting the Governor issue a proclamation (declaration) for June 2, 2006 to be declared as Water Conservation Day. The Division of Water Resources supports this recommendation.

Director Strong said the Trust Lands has 600 acre-feet of Flaming Gorge Water Right for Lake Powell area. They sent a letter requesting permission to move their water and use it on Trust Lands for irrigation in the Green River area.

Director Strong said on June 15 the Board of Water Resources will tour the Metropolitan Water District's facilities starting at 8:00 a.m. The Board meeting will be held June 16 in the a.m. at the Department of Natural Resources building. The Central Utah Water Conservancy District would like to host a two-day tour July (26 & 27) of its facilities in conjunction with a Board meeting being held July 28.

Meeting adjourned at 12 noon.

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES  
BRIEFING MEETING

Room 314  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

MINUTES OF THE  
BOARD OF WATER RESOURCES  
BRIEFING MEETING  
4/28/06

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Welcome/Chair's Report

Chair Ivan Flint welcomed everyone to the meeting. Mr. Flint introduced Craig Johansen, newly appointed Board member. Mr. Johansen told everyone about himself.

Chair Flint said they couldn't have made a better choice than Dennis Strong as the division's director. He also said Eric Millis had been promoted to Deputy Director to take Dennis's place.

Discussion of Projects

Otter Creek

Warren Peterson said the company wants to raise the reservoir level by installing two radial gates in the service spillway. This will raise the reservoir an additional two feet increasing the capacity. Warren Peterson expressed the concern as the Legislature passed a law stating if you do not use your water right it could be partially forfeited. The reservoir has received a lot of silt in the bottom and therefore the company hasn't been

able to use all the water it is entitled to. He said his motion would include having the company's attorney meet with the division's attorney to discuss whether the Board is funding storage where a partial forfeiture may exist. Ivan Flint said this needs to be cleared up as it could affect many other reservoir companies.

#### Fremont Irrigation Company

Warren Peterson said the company has a stretch of canal that passes Black Point, where it is perched high on a steep slope. The company has tried several times to line the section with clay or plastic, but it still experiences frequent problems. It is requesting financial assistance to replace the canal with high density polyethylene pipe (HDPE) pipe. The company is anticipating a grant of \$1 million from the Natural Resources Conservation Service (NRCS), and is requesting \$282,500 (21%) from the Board.

#### Wellsville-Mendon Conservation District

Val Anderson said the Wellsville-Mendon Canal delivers water to 4,600 agricultural acres and 400 acres of lawns and gardens. The canal is mostly unlined except for a 6,100 foot rubber-lined section just east of Wellsville. The district is requesting financial assistance to install 5,000 feet of rubber liner in a problem section of the canal.

#### Emigration Improvement District

Val Anderson said approximately 220 residences along Emigration Canyon Road do not have a central water system and rely on private wells and a small water system. The existing aquifer is overtaxed with over ½ of the wells being contaminated and some running out of water during the summer months. The district is requesting funds to expand its existing culinary water system to serve all existing residences and add 34 fire hydrants. John Carman said he had toured the project area with Fred Smolka and said the district needs a system that is reliable.

#### Providence-Logan Irrigation Company

Blair Francis said the company's water comes from the Logan River. The company has a box culvert that has caved in. The culvert is located along the hillside between Logan and River Heights. The culvert needs to be replaced with a siphon and moved below the sloping hillside to prevent future problems. The project is estimated to cost \$400,000.

## Committal Of Funds

### Ashley Valley Reservoir Company

Val Anderson said the company is requesting assistance to replace six miles of canal with HDPE pipeline to carry irrigation water from Oaks Park Reservoir to several irrigation companies in the Vernal area. The project cost has increased due to an increase in the cost of pipe. The total estimated project cost is now \$2.870 million.

### Lincoln Culinary Water Corp.

The sponsor is requesting financial assistance to make improvements to a spring and to purchase water rights. The cost of the project has increased due to increases in construction costs. The project is now estimated to cost \$480,000.

### Spanish Fork South Irrigation Company

Paul McPherson said the company had already started replacing canal lining last fall, and have been unable to get a contractor to finish the job this Spring. The terms remain the same as authorized.

### Lindon City

Paul McPherson said the city is requesting financial assistance to improve its culinary system by replacing about ½ mile of 10-inch steel pipeline with 12-inch ductile iron pipeline and installing four fire hydrants. The project is estimated to cost \$270,000. The terms remain the same as authorized.

### Corinne City

Blair Francis said the city is requesting financial assistance to replace about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC and install 16 fire hydrants. The project is estimated to cost \$384,000, and the terms remain the same as authorized.

## Special Items

### Ephraim Irrigation Company

Installation of the company's project is underway, but wet weather has delayed the start of pond construction, therefore the company is requesting payments be delayed



one year and all interest accrued March 1, 2005 through February 28, 2006, be forgiven. The company is also requesting additional funds as the cost of pipe has increased and it was also expecting more EQIP funds than it received.

#### Chester Irrigation Company

Warren Peterson said the company is requesting additional funds (\$47,000) to replace a washed out spillway on its fifth pond. Additional work is required to repair the spillway and bring the pond up to dam safety standards.

#### Willow Creek Irrigation Company

Warren Peterson said the agricultural portion of the company's project has been installed, but the lawn and garden portion for the homes will not be completed until this fall when the first payment is due. The company is, therefore, requesting its 2006 payment be reduced by one-half, the payment period be extended by one year, and the remaining one-half of the payment be made the last year of the repayment period.

#### Bryner-Ploutz Ditch Company

Val Anderson said the pressurized irrigation system project was delayed due to water rights issues and the cost increased because of higher PVC pipe prices. The company is requesting additional funds to cover the increased project costs.

#### Callao Irrigation Company

Paul McPherson said the company is now trying to install a diversion structure, small regulating pond, and 17,000 feet of 6 to 18-inch pipeline. This would have been included in the original project, however the previous owner did not want it. The new owner would like to have this installed.

### DAM SAFETY CONSTRUCTION

#### San Juan County WCD (Recapture Dam)

Val Anderson said the district has almost completed the dam safety upgrade of Recapture Dam, but the cost of monitoring and collecting the seepage at the right abutment has increased. More work was needed which has increased the cost of the upgrade. The district is requesting the dam safety grant be increased by \$200,000.

### Kent's Lake Reservoir Company

The company is requesting financial assistance to upgrade Three Creeks Dam to meet current state dam safety standards. Harold Shirley said he was going to request a 95% grant as had been done with other agricultural dams.

### Director's Report

Director Strong informed the Board Eric Millis has been promoted to Deputy Director. The position of Asst. Director is being advertised at the present time. It is a long process.

Mr. Strong said the BLM will be a joint lead agency in preparation of the EIS for the Lake Powell Pipeline project. A Memorandum Of Understanding will have to be prepared before the EIS process begins an engineering consultant is selected. A meeting was held with Arizona Water Resources staff seeking Arizona's acceptance of the Lake Powell project; Arizona was negative regarding the project and is opposed to Utah using its upper basin water in the lower basin. We believe we should be able to use Utah's Colorado River Compact allocation anywhere within the state. Utah's interpretation of the Compact is water cannot be transported between Upper Division states to Lower Division states.

The Lake Powell Management Committee would like to have a representative from the Board of Water Resources on the Management Committee. It was suggested Harold Shirley be on the Committee as he is from the area and familiar with the project. Mr. Shirley gladly accepted.

John Carman representing the AWWA is requesting the Governor issue a proclamation (declaration) for June 2, 2006 to be declared as Water Conservation Day. The Division of Water Resources supports this recommendation.

Director Strong said the Trust Lands has 600 acre-feet of Flaming Gorge Water Right for Lake Powell area. They sent a letter requesting permission to move their water and use it on Trust Lands for irrigation in the Green River area.

Director Strong said on June 15 the Board of Water Resources will tour the Metropolitan Water District's facilities starting at 8:00 a.m. The Board meeting will be held June 16 in the a.m. at the Department of Natural Resources building. The Central Utah Water Conservancy District would like to host a two-day tour July (26 & 27) of its facilities in conjunction with a Board meeting being held July 28.

Meeting adjourned at 12 noon.

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
April 28, 2006

Auditorium  
Department of Natural Resources Building  
1594 West North Temple  
Salt Lake City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the March 8, 2006 Board meeting was approved with suggested changes. page 1
- 2.. The Board passed a motion supporting the Governor's Proclamation highlighting the importance of conservation in our state. Staff was directed to write a letter to the Governor informing him of the Board's support. page 1
3. Dennis Strong was ratified as Utah's Interstate Stream Commissioner. Page 1
4. Brad Hancock was elected Chairman and Paul McPherson was elected Vice-Chairman of the Board of Water Resources for 2006-07. page 1
5. The Otter Creek Reservoir Company project was authorized in the amount of \$190,000 (85%) to be purchased in ten years at 0% interest with annual payments of \$19,000. An attorney's opinion is needed to determine if there has been a partial forfeiture of the company's storage right under Section 73-1-4 of the Utah Code Annotated. The company's attorney is to submit its attorney's opinion for review by the Board's attorney. page 3
6. The Board authorized the Fremont Irrigation Company project in the amount of \$282,500 (21%) to be purchased with annual payments of approximately \$11,300 at 0% interest over 25 years. page 3
7. The Wellsville-Mendon Conservation District project was authorized in the amount of \$95,000 (41%) to be repaid in 10 years at 3.2% interest. Years 1-6 the payment will be \$13,200 and years 7-10 the payment will be \$11,300. page 4
8. The Board authorized the Emigration Improvement District project in the amount of \$2.160 million (90%) to be purchased with annual payments of approximately \$83,700 at 1% interest over 30 years. page 4
9. The Providence-Logan Irrigation Company project was authorized in the amount of \$340,000 (85%) to be purchased in 25 years at 0% interest with annual payments of a approximately \$13,600. page 5
10. Funds were committed to the Ashley Valley Reservoir Company in the amount of \$2.4 million (83.6%) to be returned in 40 years at 1% interest with an escalated repayment schedule. page 5
11. The Board committed funds to the Lincoln Culinary Water Corporation in the amount of \$332,000 (69%) to be returned at 0% interest in 15 years with an escalated repayment schedule. page 6

## SUMMARY OF BOARD ACTIONS CONT'D.

12. Funds were committed to the Spanish Fork South Irrigation Company in the amount of \$29,500 (42.1%) to be purchased with annual payments of \$2,950 at 0% interest over approximately 10 years. Funds were committed to Lindon City in the amount of \$256,000 (95%) to be purchased with approximate annual payments of \$33,200 at 5% interest over 10 years. Funds were committed to Corinne City in the amount of \$326,000 (85%) to be repaid in 10 years at 5% interest with an escalated repayment schedule. page 6
13. The Ephraim Irrigation Company contract was amended to provide an additional \$120,000, making a total of \$1.620 million (54.0%) to be returned at 1% interest over 30 years with an escalated payment schedule. page 7
14. The Board amended the Ephraim Irrigation Company's contract to delay the company's payment one year and to forgive all interest accrued March 1, 2005 through February 28, 2006. page 7
15. The Chester Irrigation Company contract was amended to provide an additional \$47,000 and the company is to return the \$95,000 (47.5%) with annual payments of \$4,750 at 0% interest over approximately 20 years. page 7
16. The Board amended the Willow Creek Irrigation Company contract to reduce the 2006 payment by one-half and extend the payment period by one year with the remaining one-half of this year's payment to be made in the last year of the repayment period. page 8
17. The Bryner-Ploutz Ditch Co. contract was amended to commit an additional \$26,000 making a total of \$142,000 (75%). The project will be repaid with annual payments of \$5,700 at 0% interest over approximately 25 years. Page 8
18. The Callao Irrigation Company contract was amended to provide an additional \$168,000. The company will return the \$364,800 with annual payments of \$15,200 at 0% interest over approximately 24 years. page 8
19. The Board withdrew the Centerville City, Town of Vernon and Marysvale Town projects from further consideration by the Board. page 9
20. The San Juan Water Conservancy District contract was amended to provide an additional \$200,000 in grant funds for the upgrade of the Recapture Dam. The total amount of grant funds will be \$3 million. page 9
21. The Board granted the Kent's Lake Reservoir Company \$2.375 million (95%) and provided a \$125,000 loan (5%). The loan is to be returned in 10 years with annual payments of \$8,000 the first six years and \$19,250 for the remaining four years. page 10

## THOSE PRESENT

The BOARD OF WATER RESOURCES met in regular session on Friday, April 28, 2006 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chairs Flint and Hancock presided over the 1:00 p.m. meeting.

### BOARD MEMBERS PRESENT:

Ivan Flint  
Brad Hancock  
Paul McPherson  
John Carman  
Harold Shirley  
Blair Francis  
Warren Peterson

### STAFF MEMBERS PRESENT:

Dennis Strong, Director  
Eric Millis, Deputy Director  
Randy Staker, Accountant  
Todd Adams, Chief, Hydrology and Computer Applications  
Eric Edgley, Chief, Technical Services  
Dan Aubrey, Chief Geologist  
Val Anderson, Chief, Investigations  
Bill Leeflang, Chief Design Engineer  
Gina Hirst, Engineer  
Tom Cox, Engineer  
Russell Hadley, Engineer  
Shalaine DeBernardi, Engineer  
Geralee Murdock, Administrative Secretary

### OTHERS PRESENT:

Dave Marble, Division of Water Rights  
Paul Blanchard, Continental Pipe Manufacturing Co.  
  
Ivan Cowley, President, Otter Creek Reservoir Company  
Ray Owens, River Commissioner, Sevier River water Users  
Jay Franson, Franson Noble Engineering  
  
Dean Chappell, Fremont Irrigation Company

OTHERS PRESENT CONT'D:

Quinn Murray, President, Wellsville-Mendon Conservation District  
Ray Bankhead, Board Director, Wellsville-Mendon Conservation District  
Zan Murray, Engineer, J-U-B Engineers

Fred Smolka, Manager, Emigration Improvement District  
Lynn Hales, Trustee, Emigration Improvement District  
Craig Neeley, Aqua Engineering  
Gerald Kinghorn, Attorney, Emigration Improvement District

Chris Himmel, President, Providence-Logan Irrigation Company  
Max Pierce, Engineer, Providence-Logan Irrigation Company

Cody Jenkins, Director, Ashley Valley Reservoir Company  
Ray Hunting, Ashley Valley Reservoir Company  
Lorin Merkley, Ashley Valley Reservoir Company  
Michael McKee, Uintah County Commissioner  
Russ Vernon, Engineer, Ashley Valley Reservoir Company

Gary Walker, President, Lincoln Culinary Water Corp.  
Cliff Linford, Sunrise Engineering

Scott Sunderland, President, Chester Irrigation Company

A. Quay Mecham, President, Willow Creek Irrigation Company  
Travis Blackburn, Willow Creek Irrigation Company  
Eric Franson, Franson Noble Engineering

Alan Johnson, Callao Irrigation Company

Robin K. Bradshaw, President, Kent's Lake Reservoir Company  
Mike Robinson, Board member, Kent's Lake Irrigation Company  
Phil Jolley, Board Member, Kent's Lake Irrigation Company  
Jeffrey M. Joseph, Secretary, Kent's Lake Reservoir Company  
Thayne Clark, Engineer, Bowen, Collins & Associates  
Craig, Bagley, Bowen, Collins and Associates



MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
April 28, 2006

Chair Ivan Flint welcomed everyone to the meeting.

APPROVAL OF THE MINUTES

Brad Hancock made the motion, seconded by John Carman to approve the minutes of the March 8, 2006 Board meeting with suggested changes. The Board unanimously agreed.

CHAIR'S REPORT

Chair Flint recognized Dennis Strong as the newly appointed Director. He said he had helped with the interview and felt Dennis was well qualified for the position. He also said he was invited to help interview for the Deputy Director (Dennis' former position) and felt Eric Millis was a good selection to serve in that position.

John Carman said the AWWA is encouraging a Water Conservation Day and is requesting the various Boards (Water Resources, Drinking Water and Water Quality) support a Governor's Proclamation highlighting the importance of conservation in our state. Chair Flint said this is very worthwhile. Mr. Carman made the motion to pass a resolution supporting this Proclamation and directed staff to write a letter to the Governor informing him of the Board's support. Paul McPherson seconded the motion and the Board agreed unanimously.

RATIFY SUPPORT OF INTERSTATE STREAMS COMMISSIONER

Harold Shirley made the motion to ratify Dennis Strong as the Interstate Streams Commissioner for the state of Utah. Blair Francis seconded the motion and it was unanimously agreed upon by the Board.

ELECTION OF OFFICERS

Chair Flint said he had enjoyed the opportunity to be the Chair and it was now time for election of officers. Harold Shirley made the motion to elect Brad Hancock as Chair and Paul McPherson as Vice-chair. Warren Peterson seconded the motion and the Board unanimously agreed.

## WATER SUPPLY REPORT

Randy Julander said this year marks the 100 year anniversary in snow surveys. He said snow pack conditions were excellent. He said last month the Virgin needed 450 percent of average to get back to a normal condition; they received 415 percent which brought them from 40% back up to almost 95% of average. The rest of the state received decent conditions – average or better. The soil moisture content is about 10 – 20% drier than last year except in the southeast area of the state where the soil is extremely dry. In terms of reservoirs the northern half of the state is dumping water left and right and everything south of Provo is holding onto it. The stream flow forecast is near average to near record pretty much statewide.

## FEASIBILITY REPORTS

### #E-184 Otter Creek Reservoir Company

Chair Flint introduced Ivan Cowley, president; Ray Owens, River Commissioner; and Jay Franson with Franson Noble Engineering. Gina Hirst reported the reservoir was constructed between 1897 and 1901. Dam safety upgrades were made in 1999 to meet minimum dam safety standards. Over the years sedimentation has reduced storage capacity; in 1961 the company placed flash boards in the service spillway and raised the water surface elevation two feet, however the company has lost, on average, 100 acre-feet of storage annually.

Shares in the reservoir company have been allocated based on the maximum storage capacity of the reservoir. As sediment has reduced the effective capacity, shareholders have received less water per share. The company would like to increase the storage in the reservoir so shareholders can receive the original allocations intended when the reservoir was constructed.

The company is requesting financial assistance to install two radial gates in the service spillway so the level of the reservoir can be raised an additional two feet. Design and construction engineering is being done by Franson Noble Engineering in American Fork. The total project cost is estimated at \$224,000. Final design will be reviewed and approved by the State Engineer's Office.

Mr. Cowley said the company wants to get the original storage back without raising the dam. Mr. Cowley asked if the repayment period could be 15 years instead of staff's recommended ten so their payment to the Board would remain close to the \$12,000 a year they are now paying. Mr. Peterson replied it would be hard to change the repayment period at this late date as the Board has reviewed and discussed the report in the morning Briefing Meeting, and the repayment is consistent with the Board's guidelines.

Warren Peterson said this sediment problem is not unique to the Otter Creek Reservoir Company. Mr. Peterson stated in 2002 the Legislature amended Section 73-1-4 of the Utah Code Annotated (UCA) - partial forfeiture, which could create a problem for the company. Every other reservoir operator in the state could meet with the same problem. Mr. Peterson made the motion to authorize the Otter Creek Reservoir Company project in the amount of \$190,000 (85%) to be purchased in 10 years at 0% interest with annual payments of \$19,000. An attorney's opinion is needed to determine if there has been a partial forfeiture of the storage right under Section 73-1-4 of the UCA. The company's attorney is to submit its attorney's opinion for review by the Board's attorney. John Carman seconded the motion and the Board agreed unanimously.

#### #E-194 Fremont Irrigation Company

Chair Flint introduced Dean Chappell, president. Tom Cox reported the company supplies irrigation water to about 12,000 acres of land through the 12-mile long, earthen High Line Canal. The canal has experienced seeps and failures in the past, which has forced the company to turn water out of the canal to make emergency repairs. One particularly troublesome area is a 2/3 mile stretch of canal perched high on a steep slope. The company has tried to fix problems by lining the section with clay or plastic but still experiences frequent problems. This is a concern as the area below the canal is becoming more developed, and State Highway 72 would be flooded if the canal were to break.

The company is requesting financial assistance to replace approximately two-thirds of a mile of its High Line Canal with 66 inch HDPE pipe. The project also includes a desilting pond, inlet structure, and three outlets. Technical assistance is being provided by the NRCS, Richfield office. The project is estimated to cost \$1.350 million. The company has received a federal grant for \$1 million and is requesting 21% or \$282,500 from the Board.

Mr. Chappell said they were fortunate to receive federal funding from Senator Bennett's office. It was more money than anticipated, therefore the company is requesting assistance from the Board to complete the whole project.

Warren Peterson made the motion to authorize the Fremont Irrigation Company project in the amount of \$282,500 (21%) to be purchased with annual payments of approximately \$11,300 at 0% interest over 25 years. Brad Hancock seconded the motion and the Board unanimously agreed.

#### #E-195 Wellsville-Mendon Conservation District

Chair Flint introduced Quinn Murray, president; Ray Bankhead, Board Director; and Zan Murray, engineer. Russ Hadley reported the district delivers irrigation water from Hyrum Reservoir through the Wellsville and Mendon Canal. The canal is mostly unlined except for a 6,100 foot rubber-lined section east of Wellsville. A 5,000 foot long

section of the canal south of Mendon has substantial seepage, losing an estimated 400 acre-feet annually.

The company is requesting financial assistance to install 5000 feet of rubber liner in the problem section of canal. J-U-B Engineers will provide design and construction engineering services. The project is estimated to cost \$233,000.

Zan Murray said they had found the rubber lining they had been using to be the best alternative. The water users downstream of Wellsville and Mendon have had a hard time getting water because of upstream users and seepage losses. This project will benefit those users. Quinn Murray said they appreciated the support of the Board in the past.

Blair Francis made the motion to authorize the Wellsville-Mendon Conservation District project in the amount of \$95,000 (41%) to be repaid in 10 years at 3.2% interest. Years 1-6 the payment will be \$13,200 and years 7-10 the payment will be \$11,300. Paul McPherson seconded the motion and the Board agreed unanimously.

#### #E-196 Emigration Improvement District

Chair Flint introduced Fred Smolka, Gerald Kinghorn, Craig Neeley and Lynn Hales. Patrick Cowley reported the district delivers culinary water to approximately 200 connections through a system with total storage of 2.3 million gallons. Residents along Emigration Canyon Road do not currently have access to this system; half of the wells are contaminated and some run out of water during the summer months.

The district is requesting financial assistance to expand its existing culinary water system to serve all existing residences plus an additional 15 at buildout. The project includes approximately 22,600 feet of 8-inch PVC main line and 2-inch distribution lines, and 34 fire hydrants. Technical assistance is being provided by Aqua Engineering, Inc., in Bountiful. The project is estimated to cost \$2.4 million. Staff recommends prior to committal of funds at least 80% of the impacted residents sign a commitment of agreement with the district to connect to the proposed system.

Fred Smolka said he is in the process of getting commitment letters from about 175 connections who are willing to participate in the project. John Carman said he had seen the project and felt it was needed. He made the motion to authorize the Emigration Improvement District project in the amount of \$2.160 million (90%) to be purchased with annual payments of approximately \$83,700 at 1% interest over 30 years. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

#### #E-191 Providence-Logan Irrigation Company

Chair Flint introduced Chris Himmel, president; and Max Pierce, engineer. Gina Hirst reported the irrigation company is located on the south side of Logan and provides irrigation water to about 160 acres of farmland and 200 acres of lawns and gardens through an earth ditch and a section of square concrete culvert. The company has been replacing sections of the ditch with pipe over the past few years. The square concrete culvert located along the hillside between Logan and River Heights has begun to collapse. Homeowners who live above the culvert have encroached on the easement, placing fill and landscaping over the culvert. The adjoining slope and additional fill have made maintenance dangerous and expensive for the irrigation company. Last summer there was a landslide caused by the repair work. The ditch and aging culvert need to be replaced with a siphon and moved below the sloping hillside to prevent future problems.

The company is requesting financial assistance to install about 4,500 feet of 24-inch inverted siphon to replace the square concrete culvert and ditch. Technical assistance is being provided by Skyline A/E/S in Logan. The project is estimated to cost \$400,000.

Chris Himmel passed out photographs of the old culvert to the Board members showing the problem area. Blair Francis made the motion to authorize the Providence-Logan Irrigation Company project in the amount of \$340,000 (85%) to be purchased in 25 years at 0% interest with annual payments of approximately \$13,600. John Carman seconded the motion and the Board agreed unanimously.

#### COMMITTAL OF FUNDS

#### #E-145 Ashley Valley Reservoir Company

Chair Flint introduced Cody Jenkins, Director; Mike McKee, County Commissioner; Lorin Merkley, Ray Hunting, and Russ Vernon, engineer. Gina Hirst reported the company is requesting financial assistance to replace almost six miles of canal with 42-inch and 36-inch HDPE pipeline to carry irrigation water from Oaks Park Reservoir to several irrigation companies in the Vernal area. Since the project was authorized the cost of the project has increased due to the cost of pipe. The total estimated cost is now \$2.87 million.

County Commissioner McKee thanked the Board for its consideration of the company's project. He stated since the project was authorized the cost of pipe has risen and the project is currently about \$1 million more than what was authorized. Mr. McKee asked the Board's consideration in a lower interest rate and a longer repayment period (40 years) to help bring the repayment closer to the original authorized amount.

After considerable discussion, Brad Hancock made the motion to commit funds to the Ashley Valley Reservoir Company in the amount of \$2.4 million (83.6%) to be

returned in 40 years at 1% interest with an escalated repayment schedule. Harold Shirley seconded the motion and the Board unanimously agreed.

#### #E-165 Lincoln Culinary Water Corporation

Chair Flint introduced Gary Walker, president and Cliff Linford, Sunrise Engineering. Gina Hirst reported the sponsor is requesting financial assistance to augment its water supply by purchasing water rights and making improvements to a spring, and installing 2 ½ miles of pipeline to connect the spring to the existing culinary system. The cost of the project has increased due to increases in construction costs since the project was authorized a year ago.

Mr. Walker said the water right has been purchased in anticipation of the project going forward. He said when funds are committed they could proceed with the construction of the project.

John Carman made the motion to commit funds to the Lincoln Culinary Water Corporation in the amount of \$332,000 (69%) to be returned at 0% interest in 15 years with an escalated repayment schedule. Blair Francis seconded the motion and the Board unanimously agreed.

#### #E-193 Spanish Fork South Irrigation Company

Gina Hirst reported the company delivers water through about nine miles of earth and concrete-lined canals to flood irrigate about 6,800 acres. The concrete lining in the Argyle Canal has failed and leaks extensively. The company replaced about 600 feet of the lining this past fall and plans to replace the remaining 1,500 feet this spring as well as install 64 turnout outlets and 18 check gates. The project remains the same as authorized. The total project cost is \$70,000.

#### #L-554 Lindon City

Lindon City is requesting financial assistance to improve its culinary system by replacing about ½ mile of 10-inch steel pipeline with 2-inch ductile iron pipeline, and installing four fire hydrants. The project remains the same as authorized; the total estimated cost is \$270,000.

#### #L-555 Corinne City

The city is requesting financial assistance to improve its culinary system by replacing about 2.8 miles of 2-inch steel distribution pipeline with 6 and 8-inch PVC, and

installing 16 fire hydrants. The project remains the same as authorized; the total estimated cost of the project is \$384,000.

Paul McPherson made the motion to commit funds to Spanish Fork South Irrigation Company in the amount of \$29,500 (42.1%) to be purchased with annual payments of \$2,950 at 0% interest over approximately 10 years. Funds are to be committed to Lindon City in the amount of \$256,000 (95%) to be purchased with approximate annual payments of \$33,200 at 5% interest over 10 years. Funds are to be committed to Corinne City in the amount of \$326,000 (85%) to be repaid in 10 years at 5% interest with an escalated repayment schedule. Harold Shirley seconded the motion and the Board agreed unanimously.

## SPECIAL ITEMS

### #E-061 Ephraim Irrigation Company

Tom Cox reported in 2004 the Board committed \$1.5 million towards a gravity-pressurized irrigation system. At the time the project was authorized and funds committed, the company did not wish to include on-farm piping, however with the recent increase in pipe prices it now wishes to include the cost of the on-farm pipe (\$120,000).

Installation of the main pipeline is underway, but wet weather has delayed the start of pond construction. It is doubtful the system will be operable for this irrigation season and the company requests scheduled payments set to begin March 1, 2007 be delayed one year. The company is also requesting additional funds to cover the cost of the on-farm pipe.

Warren Peterson said he wanted to make two motions. The first motion is to amend the Ephraim Irrigation Company contract to provide an additional \$120,000, making a total of \$1.620 million (54.0%) to be returned at 1% interest over 30 years with an escalated payment schedule. John Carman seconded the motion and the Board agreed unanimously. The second motion is to delay the company's payment one year and to forgive all interest accrued March 1, 2005 through February 28, 2006. Harold Shirley seconded the motion and it was unanimously agreed upon by the Board.

### #E-138 Chester Irrigation Company

Chair Flint had to leave the meeting so Chair Hancock introduced Scott Sunderland and Eric Franson. Val Anderson reported in the winter of 2004 the company began a project to replace existing spillway flashboard structures with gated structures in five of the sponsor's existing ponds. The work was completed on four of the ponds. In the spring of 2005 the fifth pond's old spillway washed out, destroying it and damaging the embankment. The State Engineer is now requiring an additional 400 feet of toe drain be installed along the deepest portion of the embankment.

Mr. Sunderland said this pond was the only one they didn't work on and it happened to go out. He said this pond holds the late summer storage right and without it there isn't any lake water; it is crucial to the irrigation company. Eric Franson said the State Engineer issued a directive stating the dam needed to be repaired properly.

Warren Peterson made the motion the Chester Irrigation Company contract be amended to provide an additional \$47,000 and the company is to return the \$95,000 (47.5%) with annual payments of \$4,750 at 0% interest over approximately 20 years. Paul McPherson seconded the motion and the Board agreed unanimously.

#### #E-149 Willow Creek Irrigation Company

Chair Hancock introduced Quay Meacham, Travis Blackburn, and Eric Franson. Russ Hadley reported in January 2005 the Board committed \$1.048 million to be repaid over 25 years at 1% interest to construct a pressurized irrigation system. The agricultural portion of the project has been installed, but the lawn and garden portion for the homes will not be completed until this fall (2006), when the first payment is due. Therefore, the project revenue will be about one-half of what was expected. The company is requesting its 2006 payment be reduced by one-half, the payment period be extended by one year, and the remaining one-half of the payment be made the last year of the repayment period.

Quay Meacham said the agricultural portion of the project is completed. The farm laterals are in and most of the farmers applied for NRCS EQIP, and about half of them have hooked on and their sprinklers are running. The lawn and garden portion won't be constructed this year. He then asked the Board to reduce the payment by one-half and delay their payment one year so they can raise their crop and make their payment in 2007. Mr. Blackburn said they feel this project is a big improvement to the community and expressed appreciation to the Board.

Warren Peterson made the motion to amend the Willow Creek Irrigation Company's contract to reduce the 2006 payment by one-half and extend the payment period by one year with the remaining one-half of this year's payment to be made in the last year of the repayment period. John Carman seconded the motion and it was unanimously agreed upon by the Board.

#### #E-164 Bryner- Ploutz Ditch Co.

Russ Hadley reported the company requested funding to construct a pressurized irrigation system. The project was delayed due to water rights issues and the cost increased because of higher PVC pipe prices. Warren Peterson said this is a lawn and garden system for the city of Helper. Mr. Peterson made the motion to amend the Bryner Ploutz Ditch Company's contract to commit an additional \$26,000 making a total of \$142,000 (75%). The project will be repaid with annual payments of \$5,700 at 0%



interest over approximately 25 years. John Carman seconded the motion and the Board agreed unanimously.

#### #E-008 Callao Irrigation Company

Chair Hancock introduced Alan Johnson. Val Anderson reported after funds were committed to the project much of the project was not built because Mr. Claridge got sick and passed away. Mr. Johnson bought Mr. Claridge's ranch and would like to be included as part of the project. The company is requesting additional funds to increase the scope of the project to serve an additional 450 acres.

Mr. Johnson said it is an excellent project and we are ready to go on it. Paul McPherson made the motion to amend the Callao Irrigation Company project to provide an additional \$168,000. The company will return the \$364,800 with annual payments of \$15,200 at 0% interest over approximately 24 years. Blair Francis seconded the motion and the Board unanimously agreed.

#### #E-155 Centerville City

The Board committed \$156,000 to help install a pressurized secondary irrigation system. The company has completed the project with its own resources and does not need Board funding.

#### #L-551 Town of Vernon

The Town of Vernon requested funding to drill and equip a culinary water well. Vernon established a Special Service District that is in the process of merging with Vernon Water Works, that has taken the lead in developing the new well with funding through the Division of Drinking Water.

#### #L-552 Marysville Town

The sponsor requested financial assistance to rehabilitate a 150,000 gallon concrete tank, install about 3.1 miles of new transmission pipeline to upgrade the town's culinary water system. Since the project was authorized, the sponsor has obtained funding from the Permanent Community Impact Board.

Warren Peterson made the motion to withdraw the Centerville City, Town of Vernon, and Marysville Town projects from further consideration by the Board. John Carman seconded the motion and the Board agreed unanimously.

## DAM SAFETY CONSTRUCTION FUNDING

### #C-026 San Juan Water Conservancy District

Shalaine DeBernardi reported the Board provided \$2.8 million in grant funds for the upgrade of Recapture Dam. The sponsor has completed the upgrade, but the cost of monitoring and collecting the seepage at the right abutment has increased. In addition, more work was needed on the spillway. The estimated cost increase is \$200,000, and the sponsor is requesting \$200,000 additional grant funds to complete the upgrade.

Harold Shirley made the motion to amend the San Juan Water Conservancy District contract to provide an additional \$200,000 in grant funds for the upgrade of the Recapture Dam. The total amount will be \$3 million. Warren Peterson seconded it and the Board unanimously agreed.

### #C-033 Kent's Lake Reservoir Company

Chair Hancock introduced Robin Bradshaw, president; Jeff Joseph, secretary; Phil Jolley, Mike Robinson, and Dave Clark and Craig Bagley, with Bowen, Collins & Associates. Shalaine DeBernardi reported Three Creeks Dam is located approximately 14 miles east of Beaver. The company is requesting financial assistance to upgrade the dam to meet current dam safety standards. The embankment is unstable, the spillway inadequate, and there is no upstream gate for the outlet. The upgrade will consist of construction of a toe drain and stabilization berm on the downstream face of the embankment, an emergency spillway and an upstream guard gate. The estimated cost of the upgrade is \$2.5 million.

Robin Bradshaw thanked the Board for considering the project. He requested the Board consider a 95% grant with a 5% loan as the owners are a group of farmers trying to make it on the reservoir. He expressed appreciation to the Board for the existing loans they have currently, and said the Board provides a great service as it really helps out the farmers.

Harold Shirley made the motion to grant the Kent's Lake Reservoir Company \$2.375 million (95%) and provide a \$125,000 loan (5%). The loan is to be returned in 10 years with annual payments of \$8,000 the first six years and \$19,250 for the remaining four years. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

Meeting adjourned at 3:20 p.m.

